



County of Los Angeles  
**CHIEF EXECUTIVE OFFICE**

Kenneth Hahn Hall of Administration  
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WILLIAM T FUJIOKA  
Chief Executive Officer

October 11, 2011

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF PUBLIC WORKS:  
MARTIN LUTHER KING, JR. MEDICAL CENTER  
MEDICAL CENTER CAMPUS REDEVELOPMENT  
MULTI-SERVICE AMBULATORY CARE CENTER AND  
INPATIENT TOWER RENOVATION PROJECTS  
APPROVE VARIOUS ACTIONS  
SPECS. NOS. 7056 AND 7055;  
CAPITAL PROJECT NOS. 70947 AND 88945  
(SECOND DISTRICT) (3 VOTES)**

**SUBJECT**

The recommended actions will certify the Final Environmental Impact Report and approve and adopt related environmental documentation; approve the revised Project budgets; award a design-build contract; and approve related actions for the construction of the Martin Luther King, Jr. Medical Center Multi-Service Ambulatory Care Center and Inpatient Tower Renovation Projects.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Certify that the Final Environmental Impact Report for the Martin Luther King, Jr. Medical Center Campus Redevelopment Project, Tiers I and II, has been completed in compliance with the California Environmental Quality Act and reflects the independent judgment and analysis of the County; find that your Board has reviewed and considered the information contained in the Final Environmental Impact Report; adopt the Mitigation Monitoring Program, finding that the Mitigation Monitoring Program is adequately designed to ensure

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Board of Supervisors  
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compliance with the mitigation measures during Project implementation; and determine that the significant adverse effects of the Project have either been reduced to an acceptable level or are outweighed by the specific considerations of the Project, as outlined in the Environmental Findings of Fact and Statement of Overriding Consideration, which findings and statement are adopted and incorporated by reference; Approve the Martin Luther King, Jr. Medical Center Multi-Service Ambulatory Care Center (Tier I) Project, Capital Project No. 70947 and conceptually approve the future Martin Luther King, Jr. Medical Center Campus Redevelopment (Tier II) Project specified in the Environmental Impact Report;

2. Approve the total budget of \$150,286,000 for the Martin Luther King, Jr. Medical Center Multi-Service Ambulatory Care Center (Tier I) Project, Capital Project No. 70947;
3. Find that McCarthy Building Companies is the most advantageous and best value proposer; award a design-build contract to McCarthy Building Companies for a contract sum of \$91,600,000, and a maximum contract sum of \$94,000,000, which includes a design completion allowance amount of \$2,400,000; and authorize the Director of Public Works to execute the contract, upon receipt of acceptable and approved Faithful Performance and Labor and Materials Bonds and insurance certificates filed by the design-builder, and to establish the contract effective date for the Martin Luther King, Jr. Medical Center Multi-Service Ambulatory Care Center (Tier I) Project;
4. Authorize the Director of Public Works, with the approval of the Chief Executive Officer, to exercise control of the design completion allowance of \$2,400,000, including the authority to reallocate all or any portion of the design completion allowance into the contract sum for the Martin Luther King, Jr. Medical Center Multi-Service Ambulatory Care Center (Tier I) Project;
5. Authorize the Director of Public Works to execute Supplemental Agreement 2 to Contract PW-13304 with HMC Architects, to provide design-build administration support services as the scoping documents professional during the design and construction phases of the design-build contracts for the Martin Luther King, Jr. Medical Center Multi-Service Ambulatory Care Center (Tier I) Project and the Martin Luther King, Jr. Medical Center Inpatient Tower Renovation Project for a \$5,239,000 not-to-exceed fee;

6. Authorize the Director of Public Works to execute consultant services agreements each for a \$125,000 not-to-exceed fee with the two qualified proposers that were not selected as the design-builder for the Project, enabling the County to use all design and construction ideas and concepts included within their proposals for the Martin Luther King, Jr. Medical Center Multi-Service Ambulatory Care Center (Tier I) Project.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS**

Approval of the recommended actions will certify the Final Environmental Impact Report (EIR) and enable the County to proceed with the remaining scope to complete design and construction of the Martin Luther King, Jr. Medical Center (MLK) Multi-Service Ambulatory Care Center (MACC) (Tier I) Project.

### **Background**

On August 18, 2009, your Board established Capital Project No. 88945 for the MLK Inpatient Tower Renovation (IPT) Project and Capital Project No. 70947 for the MLK MACC (Tier I) Project at MLK, and on November 3, 2009, your Board authorized the Department of Public Works (Public Works) to proceed with the design of the two projects.

The scope of the MLK MACC (Tier I) Project consists of the construction of a new 4-story MACC Building, approximately 136,500 square feet, to house an ambulatory surgical center, outpatient imaging, outpatient pharmacy, walk-in clinic, and various specialty clinics, such as Neurology, Pulmonary, and General Medicine. The Project also includes tenant improvements of approximately 34,000 square feet in the North Support Building to house support services for the new MACC, such as administration, medical records, and security. Approximately 550 square feet of the South Support Building will also be renovated to house the mail room, which will serve as the main warehouse for the MACC, and will be shared with the Inpatient Hospital. In addition, approximately 350 square feet in the Hawkins Building will be renovated to house the main phone and data server rooms that will serve the entire campus. The Project will also include on-site and off-site improvements, including a new entry driveway to the campus, parking lot resurfacing, landscape, civic art, and a new traffic signal.

### **Environmental Impact Report**

The Chief Executive Officer (CEO), has overseen the preparation of an appropriate environmental document by Sapphos Environmental, Inc. in support of the MLK Campus Redevelopment Project, Tiers I and II, pursuant to the California Environmental

Quality Act (CEQA). In accordance with CEQA requirements, it is recommended that your Board certify the Final EIR and adopt the Mitigation Monitoring Program for Tiers I and II, to ensure compliance with the mitigation measures during Project implementation as discussed under the Environmental Documentation section of this Board letter.

Tier II of the Project was analyzed at a program level in the EIR and entails up to 1,476,010 square feet of additional master-planned mixed-use development, which includes potential space for medical offices, general offices, commercial and retail activities, and other development that is appurtenant to, and compatible with, the primary land use that supports the campus. The recommendation to certify the EIR for Tier II represents only a conceptual approval. We will return to your Board for approval of any additional Projects and for consideration of further environmental documentation that is required under CEQA, once details of the Tier II development have been developed and refined.

#### **Revised Project Budget**

On August 18, 2009, your Board approved an initial Project budget of \$125,120,000. An unforeseen cost impact of \$40,345,000 associated with upgrades to the Central Plant at the MLK campus was subsequently identified. On April 19, 2011, along with the award of a design-build contract for the MLK IPT Project to Hensel-Phelps Construction Company, your Board approved prorata allocations of the Central Plant upgrade cost of \$15,179,000 to the MLK IPT project budget and \$25,166,000 to the MLK MACC Project budget. These prorata allocations were based upon projected levels of use.

The Central Plant allocation to the MLK IPT Project was absorbed within the existing Project budget. The MLK MACC Project budget, however, is unable to absorb its prorata allocation of Central Plant upgrade costs, and therefore, necessitates the recommended increase in the MLK MACC Project budget from \$125,120,000 to \$150,286,000.

#### **Award Design-Build Contract/Design Completion Allowance**

Upon the successful determination of the "best value" proposal, Public Works negotiated final terms with McCarthy Building Companies (McCarthy) including various value engineering items that had been proposed by McCarthy and the two other proposers. The negotiations resulted in the recommended contract sum of \$91,600,000, plus the design completion allowance of \$2,400,000, for a maximum contract sum of \$94,000,000.

The contract's design completion allowance, which totals \$2,400,000, is intended to facilitate the resolution of issues identified during the design phase of the Project, including issues concerning the County's scoping documents, changes required by the jurisdictional agencies and changes due to unforeseen conditions discovered during design. The use of the design completion allowance will require authorization by the CEO and Public Works before use of the funds by the design-builder is permitted. The design completion allowance is not intended to be used to fund resolution of issues during the construction phase. All remaining unused design completion allowance funds will be credited back to the County.

### **HMC Supplemental Agreement**

In December 29, 2009, a contract was executed with HMC Architects (HMC) to provide complete design services, including preparation of plans and specifications, for the MLK IPT Project, Capital Project No. 88945, and to provide scoping documents for the MLK MACC Project, Capital Project No. 70947, for a not-to-exceed amount of \$18,950,000. Since that time, the level of services required from HMC has increased.

During design of the Projects, we changed the Project delivery method for the MLK IPT Project from Design-Bid-Build to Design-Build, in order to meet the Project's aggressive schedule and to minimize risks. Also, to minimize the risk of unforeseen conditions for both Projects, as well as to expedite construction, HMCs scope of work was expanded to provide additional design and construction administration services for make-ready scope of the Projects by including the seismic upgrades of the existing Medical Records and Central Plant 1 buildings. During plan review, the Office of Statewide Planning and Development (OSHDP) determined that the soil condition of the site required significant re-design of the foundations for the seismic upgrades.

To date, all critical deadlines have been met due to the pro-active efforts by the Project delivery team. We anticipate the MLK IPT Project to be completed on time and within budget. Under delegated authority, Public Works issued Supplemental Agreement 1 to HMC to address all these issues for both Projects.

We are recommending approval of Supplemental Agreement 2 for a \$5,239,000 not-to-exceed amount, to provide design-build administration support services for MLK IPT and the MLK MACC Projects. Approval of Supplemental Agreement 2 will increase the total amount of HMC's Contract PW-13304 to \$24,189,000.

### **Consultant Services Agreements**

Upon your Board's approval, the second and third highest ranked qualifying proposers for the MLK MACC (Tier I) Project will each be paid a stipend of \$125,000 pursuant to consultant services agreements, which afford the County the right to use the information and ideas submitted by the proposers.

### **Green Building/Sustainable Design Program**

The MLK MACC (Tier I) Project will support your Board's policy for Green Building/Sustainable Design Program. The new MACC Building will include sustainable design features for certification at a Silver or higher level under the United States Green Building Council Leadership in Energy and Environmental Design for new building construction, including but not limited to, water and energy conservation features, addressing water run-off, enhancing indoor environmental quality by using low-gas emitting building materials, and providing daylight through much of the building.

For the renovated buildings, Public Works will work with McCarthy to include sustainable design features to optimize energy efficiency. This includes replacing and/or upgrading the mechanical, electrical, and plumbing systems, use of recycled and low-gas emitting materials, and use of alternative transportation methods.

### **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan directs the provision of Operational Effectiveness (Goal 1), and Children, Family, and Adult Well-Being (Goal 2), by investing in public health infrastructure to enhance the safety of patients and staff. Completion of the Projects will provide much-needed improvements to the facility and for the residents of the County.

### **FISCAL IMPACT/FINANCING**

The total Project cost of the MLK MACC (Tier I) Project, previously approved by your Board, was estimated at \$125,120,000. The revised total Project cost is \$150,286,000. The revised cost estimate includes \$25,166,000 required for the renovation of the Central Plant based on the MACC's proportionate use of the plant. The total cost to renovate the Central Plant is estimated at \$40,345,000. On April 19, 2011, your Board approved the remaining prorated balance of \$15,179,000 in Central Plant construction costs as part of the MLK IPT Project budget.

As previously approved by your Board, the Projects are currently funded through the issuance of tax-exempt commercial paper, but will ultimately be financed with proceeds from the issuance of long-term, tax-exempt bonds. The CEO and Treasurer and Tax Collector will return with final financing recommendations prior to the issuance of long-term bonds. The MLK MACC and MLK IPT Projects Schedule and Budget Summaries are included in Attachment A.

### Operating Budget Impact

Based on the Project's current schedule, costs for medical equipment will be incurred beginning in Fiscal Year 2011-12, for items which will impact the building's design. Health Services is working closely with the CEO, Public Works, and its medical equipment planning consultants to identify the needs and analyze options utilizing reuse of existing equipment to the extent feasible and leasing, or purchasing new equipment. Equipment costs will be funded within the Health Services' operating budget, either on a cash basis in the year of purchase, or through bond, or other extended payment options. The annual ongoing operating costs for the new MLK MACC will also be funded by Health Services from existing resources.

### FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On June 17, 2008, your Board approved the use of design-build contracting as an option to the traditional design-bid-build project delivery method of construction. It was determined that design-build is a more efficient and appropriate project delivery method for these Projects.

On October 19, 2010, your Board approved a Local Worker Hiring Program and Small Business Enterprise Program, and on May 17, 2011, your Board approved a Community Workforce Agreement for the MLK MACC Project.

The agreements and supplemental agreement recommended in this Board letter will be in the form previously reviewed and approved by County Counsel. The recommended contract was solicited on an open competitive basis and in accordance with applicable Federal, State, and County requirements.

Pursuant to your Board's Civic Art Policy adopted on December 7, 2004, and subsequently amended, the Project budget allocates 1 percent of the design and construction costs, or a maximum of \$1,000,000 to be allocated to fund the Civic Art for the Project.

These contracts contain terms and conditions supporting your Board's ordinances, policies, and programs, including, but not limited to: County's Greater Avenues for Independence and General Relief Opportunities for Work Programs (GAIN/GROW), Board Policy No. 5.050; Contract Language to Assist in Placement of Displaced County Workers, Board Policy No. 5.110; Reporting of Improper Solicitations, Board Policy No. 5.060; Notice to Contract Employees of Newborn Abandonment Law (Safely Surrendered Baby Law), Board Policy No. 5.135; Contractor Employee Jury Service Program, Los Angeles County Code, Chapter 2.203; Notice to Employees Regarding the Federal Earned Income Credit (Federal Income Tax Law, Internal Revenue Service Notice 1015); Contractor Responsibility and Debarment, Los Angeles County Code, Chapter 2.202; and the Los Angeles County's Child Support Compliance Program, Los Angeles County Code, Chapter 2.200; and the standard Board-directed clauses that provide for contract termination or renegotiation.

### **ENVIRONMENTAL DOCUMENTATION**

Sapphos Environmental prepared an Initial Study and other environmental documentation required under CEQA in support of the Tiers I and II MLK Campus Redevelopment Projects, with the County serving as Lead Agency. Tier I components have been defined at a Project level for the MLK MACC (Tier I) Project. Tier II components have been analyzed for conceptual land uses and potential capital improvements at a programmatic level. It is recommended that your Board certify the Final EIR for the Tier I and II Projects.

In the future, when the details of Tier II are analyzed at a Project level, we will return to your Board for consideration of further environmental documentation in connection with Project approvals as required under CEQA.

### **Initial Study and Notice of Preparation**

An Initial Study was prepared in compliance with CEQA. The Initial Study was provided, along with a Notice of Preparation of a Draft EIR to the State Clearinghouse. On March 24, 2010, the County hosted a scoping meeting to solicit input from the public on the elements of the Projects. Eight comment letters were received in response to the Notice of Preparation (NOP) and Initial Study, including six letters from public agencies and two letters from individuals. All comments related to environmental issues expressed during public review and during the scoping meetings were considered in the preparation of the Final EIR.

The Initial Study determined that Tier I and Tier II of the Project would not result in significant impacts to four environmental impact areas: agriculture and forestry resources, biological resources, land use and planning, and mineral resources. The

Initial Study determined that an EIR would be required for the Project but also determined that analysis of these four environmental issues would not be required to be carried forward in an EIR.

The Initial Study concluded that there is substantial evidence that Tiers I and II of the Project may have significant impact in the following areas: aesthetics, air quality, cultural resources, geology and soils, greenhouse gas emissions, hazards and hazardous materials, hydrology and water quality, noise, population and housing, public services, recreation, transportation/traffic, utility and service systems, and mandatory findings of significance.

#### Program Objectives

In August 2010, a Draft EIR was prepared to evaluate the proposed Project that included two tiers of development. The program objectives of the Tier I Project entail the revitalization of comprehensive medical care at the MLK Campus through the maintenance of primary medical functions and supporting services in a sustainable environment that is also contextually integrated with the surrounding community. In terms of physical structures, the Tier I Project involves the development of a new four-story 136,500 square-foot MACC Building, tenant improvements to the existing buildings, on-site and street improvements, and possible relocation of the MRI Building.

Tier II Project program objectives revolve around the potential development of up to 1,476,010 square feet of additional master-planned mixed-use development, which would include the potential for medical offices, general offices, commercial and retail space, residential units, recreational areas, parking, and other appurtenances that are compatible with the primary land use. The Tier II Project includes analysis of conceptual land uses and potential capital improvements, including the reuse, replacement, or removal of the existing MACC Building and other facilities.

Together, the Tier I and II Projects, as proposed by the County, are considered the "Proposed Project" for purposes of the CEQA analysis.

#### Environmental Impact Report

The Final EIR for the Proposed Project has been prepared in compliance with CEQA and is on file with the Executive Officer of the Board of Supervisors. Public Notice of Availability (NOA) of the Draft EIR was published in the *Los Angeles Watts Times* and *La Opinion* newspapers on August 31, 2010, pursuant to Public Resources Code Section 21092 and circulated for public review for a period of 45 days pursuant to Section 21092.3. The Draft EIR was made available at the County's CEO, Hall of

Administration Office, the MLK Campus, the Willowbrook Library, and was posted to the County's Second Supervisorial District website. Copies of the Draft EIR and NOA were mailed to 38 public agency representatives. The NOA was mailed directly to 1,555 interested parties.

Written comments to the Draft EIR were received from one individual and from the State of California Governor's Office of Planning and Research State Clearinghouse and Planning Unit, California Department of Transportation District 7, Native American Heritage Commission, City of Los Angeles Department of Transportation, Park Water District Company, South Coast Air Quality Management District, County of Los Angeles Fire Department Forestry Division, County of Los Angeles Department of Public Works Traffic and Lighting Division. Responses to all comments received were prepared and included in Section 14 of the Final EIR. Responses to all comments received from public agencies were sent to those agencies pursuant to Section 21092.5. The Final EIR, which is attached, consists of three volumes:

- Volume I, the Draft EIR, dated August 31, 2010;
- Volume II, Technical Appendices to the Draft EIR, dated August 31, 2010; and
- Volume III, Clarifications and Revisions to the Draft EIR, Comment Letters on the Draft EIR, and Responses to Comments, dated December 13, 2010.

#### Summary of Impacts and Mitigation Measures

##### *Tier I Project*

With the exception of unavoidable significant impacts in the areas of *Greenhouse Gases* and *Noise* during construction, all of the other identified significant environmental effects of the Project can be avoided or reduced to a level of insignificance through the implementation of the mitigation measures summarized below and identified in the Final EIR.

- Exterior lighting will be designed to minimize glare and other impacts on the surrounding community;
- Measures will be taken to minimize dust and emissions during construction;
- Paleontological resources or human remains discovered during construction will be protected during periods of planned ground disturbances;
- Procedural standards will be implemented to avoid, reduce, or eliminate potential impacts related to disturbances to geology and soils;

- Buildings will be designed to conform to the California Climate Action Registry and seven greenhouse gas emissions reduction targets;
- Procedural and contractual obligations will be monitored to ensure the transport, storage, and handling of hazardous materials during construction comply with all relevant regulations and guidelines issued by regulatory agencies;
- Procedural and contractual measures will be implemented to mitigate potential storm water runoff during construction;
- A Noise Control Plan will be implemented and monitored during construction to mitigate noise impacts; and
- Construction activities will be scheduled and traffic management measures will be implemented to reduce traffic-related impacts.

*Tier II Project*

With the exception of unavoidable significant impacts in the areas of *Aesthetics, Cultural Resources, Geology and Soils, Hazards and Hazardous Materials, Hydrology and Water Quality, Noise, Transportation/Traffic, and Utilities and Services Systems*, all of the other identified significant environmental effects of the Project can be avoided or reduced to a level of insignificance through the implementation of the mitigation measures identified in the Final EIR. Such measures include those identified for the Tier I Project, as well as those summarized below.

- Building heights limits and setback requirements will be enforced and exterior lighting will be designed to limit impacts on the adjacent community;
- The social and historical significance of the existing MACC, Augustus F. Hawkins Comprehensive Mental Health Center, Interns and Physicians Building, and Dr. H. Claude Hudson Auditorium will be documented in accordance with the Historic American Buildings Survey in the event the implementation of the Tier II Project entails the demolition of any or all of these buildings; and
- Plans will be implemented that ensure proper utility connections in compliance with all applicable regulations.

Any further Project level mitigation measures will be re-evaluated and addressed during development of Tier II Projects pursuant to CEQA, after which we will return to your Board with further Project recommendations, as appropriate.

### Evaluation of Alternatives

As required under CEQA, feasible alternatives to the Proposed Project were explored to assess their ability to meet the 14 objectives identified for the Tier I Project and two objectives identified for the Tier II Project with a minimum of significant impacts. Five Alternative Projects were analyzed in addition to a No Project Alternative. The Project Alternatives included:

- No Project Alternative
- Alternative 1: proceeds with the proposed Tier I Project as planned but reduces the scope and square footage of the Tier II Project to 900,000 square feet;
- Alternative 2: foregoes both Tier I and II Projects in favor of the reopening and reuse of the existing MACC;
- Alternative 3: incorporates enhanced public transportation services into the proposed Tier I and II Projects;
- Alternative 4: reflects reuse of the existing MACC building in the Tier I Project with a 500-bed inpatient acute care hospital; and
- Alternative 5: proceeds with the proposed Tier I Project but foregoes the proposed Tier II Project.

### Findings of Fact and Statement of Overriding Consideration

Based upon a review of the Proposed Project and the Project Alternatives, it was determined that the No Project Alternative and the No Tier II Alternative 5 would be capable of avoiding or reducing the significant impacts that are anticipated as part of the recommended Project. As such, these alternatives would be deemed the "Environmentally Superior" alternatives under CEQA. While these alternatives would reduce or avoid the impacts associated with the Proposed Project, these alternatives would fail to meet many of the Proposed Project's program objectives.

The County has determined that although the proposed mitigation measures for Tier I of the Proposed Project will substantially reduce the level of impacts to greenhouse gas emissions and noise attributable to the Tier I Project, these impacts will remain significant, unavoidable, and adverse. The County has also determined that, although the mitigation measures for Tier II of the Proposed Project will substantially reduce the level of impacts to air quality, cultural resources, greenhouse gas emissions, and noise resulting from the Project, these impacts will also remain significant, unavoidable, and adverse impacts.

Consequently, in accordance with Section 15093 of the State CEQA Guidelines, a Statement of Overriding Considerations has been prepared to substantiate County's decision to accept these unavoidable adverse environmental effects on the grounds that they are outweighed by the benefits afforded by the Proposed Project.

#### Location and Custodian of Documents

The location of the documents and other materials constituting the record of the proceedings upon which your Board's decision is based in this matter is at the County of Los Angeles Chief Executive Office, Kenneth Hahn Hall of Administration, 500 West Temple Street, Room 754, Los Angeles, California, 90012. The custodian of such documents and materials is Ms. Sabra White, Los Angeles County Chief Executive Office.

#### California Department of Fish and Game Fee

The MLK Campus Redevelopment Project is not exempt from payment of a fee to the California Department of Fish and Game (CDFG) pursuant to Section 711.4 of the Fish and Game code to defray the costs of fish and wildlife protection and management incurred by the CDFG. Upon your Board's certification of the Final EIR, Public Works will file a Notice of Determination in accordance with Section 21152(a) of the California Public Resources Code and pay the required filing and processing fees with the Registrar-Recorder/County Clerk in the amount of \$2,839.25.

#### **CONTRACTING PROCESS**

On June 17, 2008, your Board adopted the County policy for design-build Project delivery. The Request for Proposals (RFP) and evaluation process were conducted in accordance with the adopted policy.

On August 18, 2009, Public Works informed your Board that make-ready construction, such as necessary relocation of underground utilities and building pad grading would be completed using Board-approved Job Order Contracts. This make-ready work is currently underway to prepare the site for the MLK MACC Project.

#### Design-Build Procurement Process

On May 5, 2010, Part A of the RFP, which consisted of a prequalification questionnaire, was issued to prequalify and shortlist prospective design-build entities for the MLK MACC Project. On May 26, 2010, questionnaires from eight design-build entities were received. An Evaluation Committee (Committee) comprised of staff from Public Works, Chief Executive Office (CEO), and the Department of Health Services reviewed and ranked the questionnaires and shortlisted the three highest ranked submissions.

On March 14, 2011, Public Works issued Part B of the RFP, to the three prequalified, shortlisted design-build entities, which included Clark-HGA Architects, McCarthy-HDR Architects, and Hensel Phelps-Cannon Design Architects. On June 23, 2011, all three design-build entities participating in Part B of the RFP process submitted a final proposal. The Committee reviewed and ranked the proposals based on criteria categories, including technical design and construction expertise, life cycle cost analysis at 20 years, skilled labor force availability, safety record, price, design-build team personnel and organization, delivery plan, and their price solutions. The three proposals were ranked in order from the highest averaged score to lowest averaged score. McCarthy received the highest averaged score of 931 and was determined by the Committee to be the apparent best value proposer in accordance with provisions of the RFP. A summary reflecting the Committee's averaged scoring of the submitted proposals is included in Attachment B.

#### HMC Supplemental Agreement

On November 3, 2009, your Board authorized Public Works to enter into a consultant services agreement with HMC to complete the design services, including preparation of plans and specifications, for the MLK IPT Project, and to prepare scoping documents for the MLK MACC Project for an \$18,950,000 not-to-exceed amount.

Under delegated authority, Public Works issued Supplemental Agreement 1 at no cost increase to reallocate funds within the agreement to accommodate revised design scope. We are recommending approval of Supplemental Agreement 2 with HMC, for a \$5,164,000 not-to-exceed amount to provide Design-Build Administration Support services during the design-builder's design, agency review/approval, and construction phases for the MLK IPT and MLK MACC (Tier I) Projects. Approval of Supplemental

Agreement 2 will increase the total amount of Contract PW-13304 by \$5,239,000, which includes \$3,674,000 for the MLK IPT Project, and \$1,565,000 for the MLK MACC (Tier 1) Project, for a total not-to-exceed amount of 24,189,000. Public Works has reviewed the proposal and it is considered reasonable for the scope of work.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

There will be no impact on current County services and projects resulting from approval of the recommended actions. Patient care services in the existing MACC and the Hawkins Building will continue without interruption during construction.

**CONCLUSION**

Please return an adopted copy of this Board letter to the Chief Executive Office, Capital Projects Division; Department of Health Services; and the Department of Public Works, Project Management Division I.

Respectfully submitted,



WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:RLR:DJT  
SW:TF:mc

Attachments

- c: Executive Office, Board of Supervisors
- County Counsel
- Arts Commission
- Health Services
- Internal Services
- Public Works
- Treasurer and Tax Collector

**ATTACHMENT A**

**DEPARTMENT OF PUBLIC WORKS:  
MARTIN LUTHER KING, JR. MEDICAL CENTER  
MEDICAL CENTER CAMPUS REDEVELOPMENT  
MULTI-SERVICE AMBULATORY CARE CENTER AND  
INPATIENT TOWER RENOVATION PROJECTS  
APPROVE VARIOUS ACTIONS  
SPECS. NOS. 7056 AND 7055;  
CAPITAL PROJECT NOS. 70947 AND 88945**

**I. PROJECT SCHEDULE SUMMARY**

<b>Project Activity</b>	<b>Board Approved Completion Date</b>	<b>Revised Completion Dates</b>
Environmental Impact Report	02/15/2011	02/15/2011*
<b><u>C.P. 88945</u></b>		
<b>MAKE-READY</b>		
Programming	09/18/2009*	09/18/2009*
Design	04/29/2010*	04/29/2010*
Jurisdictional Agency Approval	07/27/2010*	07/27/2010*
Construction Bid and Award (JOC)	08/19/2010*	08/19/2010*
Construction		
Substantial Completion	11/01/2011	11/01/2011
Acceptance	12/01/2011	12/01/2011
<b>INPATIENT TOWER RENOVATION AND SUPPORT SPACE</b>		
Programming	09/18/2009*	09/18/2009*
Design	03/31/2011	03/31/2011*
Jurisdictional Agency Approval	06/31/2011	06/31/2011*
Award Design-Build	04/19/2011	04/19/2011*
Construction		
Substantial Completion	03/15/2013	03/15/2013
Acceptance	08/30/2013	08/30/2013
Building Occupancy	09/15/2013	09/15/2013
<b><u>C.P. 70947</u></b>		
<b>NEW MACC AND SUPPORT SPACE</b>		
Programming	09/18/2009*	09/18/2009*
Scoping Design	10/13/2010	03/07/2011*
Award Design-Build	03/29/2011	10/11/2011
Jurisdictional Agency Approval	By Design Builder	By Design-Builder
Construction Bid and Award (D-B)	N/A	N/A
Construction		
Substantial Completion	06/23/2013	11/30/2013
Acceptance	12/23/2013	05/30/2014
Building Occupancy	03/23/2014	08/30/2014

\*Indicates actual date

**II. PROJECT BUDGET SUMMARY MLK MACC AND MAKE-READY (C.P. 70947)**

Budget Category	Previously Approved Budget	Impact of this Action	Current Project Budget
Land Acquisition	\$ 0	\$ 0	\$ 0
Construction			
Design-Build Contract	\$ 95,000,000	(\$ 1,000,000)	\$94,000,000
Central Plant Cost (under Hensel-Phelps)	0	25,166,000	25,166,000
Job Order Contract	1,000,000	2,820,000	3,820,000
Change Orders Contingency	8,780,000	(5,804,000)	2,976,000
Proposer Stipends	0	250,000	250,000
Builder's Risk Insurance	0	400,000	400,000
Telecomm Equipment - Affixed to Building	0	0	0
Civic Arts	1,000,000	(100,000)	900,000
<b>Subtotal</b>	<b>\$105,780,000</b>	<b>\$21,732,000</b>	<b>\$127,512,000</b>
Programming/Development	\$ 0	\$ 0	\$ 0
Plans and Specifications			
Architect/Engineer Fee	\$ 3,322,000	\$1,565,000	\$ 4,887,000
Design Contingency	758,000	(608,000)	150,000
<b>Subtotal</b>	<b>\$ 4,080,000</b>	<b>\$ 957,000</b>	<b>\$ 5,037,000</b>
Consultant Services			
Site Planning	\$ 0	\$ 0	\$ 0
Hazardous Materials	135,000	0	135,000
Geotech/Soils Report and Soils Testing	170,000	(35,000)	135,000
Material Testing	850,000	0	850,000
Peer Review Services	0	255,000	255,000
Inspection Services	425,000	(215,000)	210,000
Topographic Surveys	0	0	0
Construction Management	3,495,000	1,497,000	4,992,000
Document and Project Controls	1,700,000	50,000	1,750,000
Labor/Outreach/Local Worker Hiring Program	425,000	0	425,000
Environmental	600,000	143,000	743,000
Civic Arts	0	100,000	100,000
Job Order Contract Management	0	70,000	70,000
Move Management (Move Manager Only)	0	0	0
Equipment Planning	0	0	0
Consultant Contingency	0	750,000	750,000
<b>Subtotal</b>	<b>\$ 7,800,000</b>	<b>\$ 2,615,000</b>	<b>\$ 10,415,000</b>
Miscellaneous Expenditures	\$ 210,000	\$ 0	\$ 210,000
Jurisdictional Review/Plan Check/Permit	\$ 500,000	\$ (320,000)	\$ 180,000
County Services			
Code Compliance Inspection	\$ 850,000	\$ 628,000	\$ 1,478,000
Quality Control Inspection	0	0	0
Design Review	170,000	(119,000)	51,000
Design Services	0	0	0
Contract Administration	300,000	(89,000)	211,000
Project Management	2,070,000	900,000	2,970,000
Project Management Support Services	1,600,000	(40,000)	1,560,000
ISD Job Order Contract Management	0	0	0
DPW Job Order Contract Management	85,000	(43,000)	42,000
ID ITS Communications	600,000	20,000	620,000
Project Technical Support	950,000	(950,000)	0
Office of Affirmative Action	125,000	(125,000)	0
County Counsel	0	0	0
Other - GMED	0	0	0
Other - Contract Management - LWHP	0	0	0
<b>Subtotal</b>	<b>\$ 6,750,000</b>	<b>\$ 182,000</b>	<b>\$ 6,932,000</b>
<b>TOTAL</b>	<b>\$125,120,000</b>	<b>\$25,166,000</b>	<b>\$150,286,000</b>

**III. PROJECT BUDGET SUMMARY MLK IPT PROJECT (C.P. 88945)**

Budget Category	Previously Approved Budget	Impact of this Action	Current Project Budget
Land Acquisition	\$ 0	\$ 0	\$ 0
Construction			
Design-Build Contract	\$139,934,000	\$ 0	\$139,934,000
Job Order Contract	22,855,000	0	22,855,000
Change Orders Contingency	19,875,000	(874,000)	19,001,000
Proposer Stipends	400,000	0	400,000
Builder's Risk Insurance	0	0	0
Telecomm Equipment - Affixed to Building	0	0	0
Civic Arts	0	0	0
<b>Subtotal</b>	<b>\$183,064,000</b>	<b>(\$874,000)</b>	<b>\$182,190,000</b>
Programming/Development	\$ 0	\$ 0	\$ 0
Plans and Specifications			
Architect/Engineer Fee	\$ 15,628,000	\$3,674,000	\$ 19,302,000
Design Contingency	2,900,000	(2,800,000)	100,000
<b>Subtotal</b>	<b>\$ 18,528,000</b>	<b>\$ 74,000</b>	<b>\$ 19,402,000</b>
Consultant Services			
Site Planning	\$ 0	\$ 0	\$ 0
Hazardous Materials	256,000	0	258,000
Geotech/Soils Report and Soils Testing	351,000	336,000	687,000
Material Testing	1,015,000	0	1,015,000
Peer Review Services	425,000	0	425,000
Inspection Services	2,150,000	0	2,150,000
Topographic Surveys	0	0	0
Construction Management	6,240,000	0	6,240,000
Document and Project Controls	3,205,000	45,000	3,250,000
Labor/Outreach/Local Worker Hiring Program	535,000	0	535,000
Environmental	0	0	0
Move Management (Move Manager Only)	0	0	0
Equipment Planning	0	0	0
Consultant Contingency	878,000	(381,000)	497,000
<b>Subtotal</b>	<b>\$ 15,055,000</b>	<b>\$ 0</b>	<b>\$15,055,000</b>
Miscellaneous Expenditures	\$ 1,000,000	\$ 0	\$ 1,000,000
Jurisdictional Review/Plan Check/Permit	\$ 3,364,000	\$ 0	\$ 3,364,000
County Services			
Code Compliance Inspection	\$ 450,000	\$ 0	\$ 450,000
Quality Control Inspection	0	0	0
Design Review	15,000	0	15,000
Design Services	0	0	0
Contract Administration	500,000	0	500,000
Project Management	240,000	0	240,000
Project Management Support Services	5,346,000	0	5,346,000
ISD Job Order Contract Management	0	0	0
DPW Job Order Contract Management	421,000	0	421,000
ID ITS Communications	175,000	0	175,000
Project Technical Support	52,000	0	52,000
Office of Affirmative Action	215,000	0	215,000
County Counsel	0	0	0
Other - Contract Management-LWHP	0	0	0
Other -Contingency	255,000	0	255,000
<b>Subtotal</b>	<b>\$ 7,669,000</b>	<b>\$ 0</b>	<b>\$ 7,669,000</b>
<b>TOTAL</b>	<b>\$228,680,000</b>	<b>\$ 0</b>	<b>\$228,680,000</b>

October 11, 2011

**ATTACHMENT B**

**DEPARTMENT OF PUBLIC WORKS:  
MARTIN LUTHER KING, JR. MEDICAL CENTER  
MEDICAL CENTER CAMPUS REDEVELOPMENT  
MULTI-SERVICE AMBULATORY CARE CENTER AND  
INPATIENT TOWER RENOVATION PROJECTS  
APPROVE VARIOUS ACTIONS  
SPECS. NOS. 7056 AND 7055;  
CAPITAL PROJECT NOS. 70947 AND 88945**

**Proposal Summary**

<b>Proposer</b>	<b>Best Value Score (Max. Score = 1,000)</b>	<b>Base Price Proposal</b>
McCarthy Building Companies	931	\$ 98,368,000
Hensel Phelps Construction	888	\$107,717,000
Clark Construction	800	\$ 95,000,000